

**Draft Speech for Minister Eamonn Ryan T.D.,
10th Anniversary Conference,
Geothermal Association of Ireland,
Newpark Hotel, Kilkenny.
Wednesday 5th November 2008.**

I am delighted to be here today to meet you all and to open the 10th Anniversary Conference of the Geothermal Association of Ireland. I very much appreciate the warm welcome extended to me by your Chairman, Brian Connor and all his colleagues on the Committee.

The achievement of building in 10 years a national association for the geothermal industry in Ireland, with almost 100 members and affiliation to various international geothermal associations, is most impressive.

You have especially encouraged companies, professionals, academics and private individuals to become involved in the development of geothermal energy in all its forms in Ireland through GAI membership, at a time when the concept was not on most people's agendas. I am not alone in being most impressed by the valuable role played by GAI over the past years in raising awareness through research, education, promotion, lobbying Government and developmental work.

Anyone who puts in a Google alert for news on geothermal energy will find out very rapidly that there is a lot happening round the world. Much of this is about commercial development of power plants in places with near-surface high temperature resources. However, there is just as much about space heating, and virtually inexhaustible geothermal resources for this are available everywhere. In Sweden, for instance, 30 percent of individual buildings are now heated geothermally.

At European level, climate change and the EU commitment to the Kyoto Protocol have made renewable energy, and thus geothermal energy, a high point on our agenda.

A draft EU Directive on the promotion of renewable energy is currently under discussion. Geothermal energy is recognised in this draft Directive as being capable of making a significant contribution, and there are already strong indications that 8000 Megawatts of geothermal power for heating will be installed by 2010. This comfortably exceeds any targets previously set.

The European perspective also provides an opportunity for us to use heat pumps in commercial and industrial buildings to achieve renewable energy targets under the EU Energy Policy in Buildings Directive. I believe that there is potential to increase the utilisation of geothermal energy in Ireland.

Ireland is well placed to make the switch from our over-dependence on biofuels to the use of renewable resources such as wind, wave, biomass, solar and others, including geothermal energy.

I would like to emphasise Government's commitment to increasing funding for sustainable energy

programmes, and the 2009 Budget reflects this by including a 10% increase in funding for such programmes, and significantly expanding capital allowances for energy efficient equipment. This will allow people and businesses to make smart decisions, which will reduce their overall energy use and costs. It also reflects the Programme for Government commitment to increase the use of alternative energy for generating power in order to ensure that one third of electricity consumed in Ireland comes from renewable sources by 2020.

I am conscious that if geothermal energy utilisation is to develop to a level that is commercially sustainable, a regulatory and administrative regime will have to be implemented to provide for its orderly development.

Also, from listening to industry I was aware that some investors felt that they were being deterred from investing in exploration for relatively large deep geothermal resources by the lack of a suitable regulatory system.

That is why I set up an informal Working Group to review the potential here and report on effective regulatory and other measures that could be taken to increase its contribution to meeting Ireland's targets for use of alternative energy. It won't provide all the solutions, but every source needs to make its full contribution. The key elements of the Group's work include:

- undertaking a national consultation exercise;
- assessing international experience in the utilisation of geothermal energy resources and related regulatory frameworks;
- identifying any critical information gaps and how they might be filled in order to encourage exploration for, and utilisation of, geothermal resources;
- outlining a Regulatory Impact Assessment to support the choice of regulatory and other policy options.

Membership of the Working Group draws on the relevant Divisions of my Department, backed by expertise from Sustainable Energy Ireland, and involving of course the Department of the Environment, Heritage and Local Government. Representatives of the Geological Survey of Northern Ireland and the Department of Trade and Industry in Northern Ireland also attend and participate.

Consultation is particularly important in any exercise of this sort and over thirty submissions were received, mainly from people and organisations closely associated with geothermal development in Ireland. There was considerable commonality of views on many issues, but of course not everyone has the same opinions on everything! The consultation exercise has now closed and the results are being analysed. The quality of submissions from the GAI and its members is very impressive, and is a real help to the Working Party.

The Working Group is due to complete its work by the end of the year. It will take full account of all submissions in reaching its conclusions, and so I am sure you will understand that it would be premature to comment further at this stage.

I look forward to keeping the GAI informed about the outcome of the deliberations of the Working Group and the practical steps that I hope to take to develop geothermal energy as a viable and sustainable energy source which will produce a variety of economic benefits, in addition to further expanding the energy choices available to domestic and commercial consumers in Ireland.

I am sure that I will be engaging in further consultation on specific issues. Some of these will probably be quite technical and the input of GAI members will be invaluable in reaching mutually agreeable solutions.

The Working Group on Geothermal Energy had particular regard to experience gained by SEI over the past five years since they funded a study to examine the geothermal resource strength in Ireland. As you are no doubt aware, SEI has been promoting a number of recent initiatives in the field of energy conservation.

I am also very impressed by the commitment shown by the recent drilling at Newcastle, Co. Dublin, part-funded of course by SEI, and I should also mention the work done by SEI in the development of geothermal energy information sources, such as its Geothermal Atlas of Ireland.

Before I close, I should mention that some of the practical issues that need to be addressed in developing geothermal energy in Ireland include: the possible use of incentivisation; the provision of information and marketing; whether it would be possible to provide financial support, including appropriate tax incentives in the context of a regulatory framework; and finally, the market potential for use of geothermal energy.

I would like to conclude by wishing you all every success in today's conference. I assure you that I intend to continue working closely with you in order to progress this issue, so that geothermal energy becomes an integral part of our renewable and sustainable energy portfolio.

I am confident that by the time of the holding of the World Geothermal Conference in Bali in 2010 we will have made considerable progress in advancing our ideas.

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